

OCTOBER 1998 ≈ VOLUME 78 NUMBER

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SURVEY *of* CURRENT BUSINESS

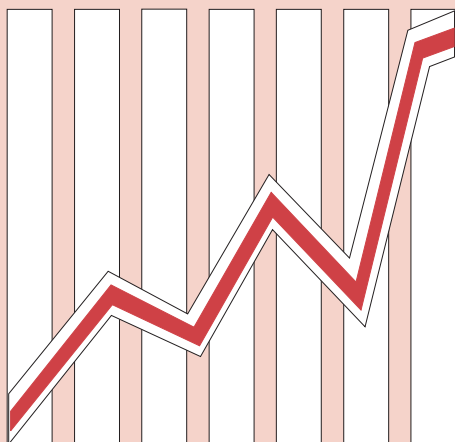
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U.S. DEPARTMENT OF COMMERCE ≈ ECONOMICS AND STATISTICS ADMINISTRATION

BUREAU OF ECONOMIC ANALYSIS



SURVEY of CURRENT BUSINESS

SURVEY OF CURRENT BUSINESS (ISSN 0039-6222). Published monthly by the Bureau of Economic Analysis of the U.S. Department of Commerce. Editorial correspondence should be addressed to the Editor-in-Chief, SURVEY OF CURRENT BUSINESS, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Subscriptions to the SURVEY OF CURRENT BUSINESS are maintained, and their prices set, by the Government Printing Office, an agency of the U.S. Congress. Postmaster: Send address changes to:

Superintendent of Documents,
U.S. Government Printing Office,
Washington, DC 20402.

The GPO order desk number is (202) 512-1800. The subscription complaint desk number is (202) 512-1806.

Subscription and single-copy prices:

Periodicals: \$39.00 domestic,
\$48.75 foreign.
First-class mail: \$88.00.
Single copy: \$14.00 domestic,
\$17.50 foreign.

Make checks payable to the Superintendent of Documents.

Periodicals postage paid at Washington, DC and at additional mailing offices. (USPS 337-790).

The Secretary of Commerce has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department.

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THIS ISSUE of the SURVEY went to the printer on October 8, 1998.
It incorporates data from the following monthly BEA news releases:

U.S. International Trade in Goods and Services (September 17),
Gross Domestic Product (September 24), and
Personal Income and Outlays (September 25).

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The annual estimates of State personal income for 1995–97 were revised to incorporate the results of the recent annual revision of the national income and product accounts (NIPA's), as well as newly available State-level source data; in addition, the State estimates were revised back to 1982 to incorporate the NIPA redefinition of personal dividend income. The revisions to the State estimates generally reflected the downward revisions to the national estimates; among the States, the relative rates of change in personal income and the relative rankings of State per capita personal income changed little.

Regular features

1 Business Situation

Real GDP increased 1.8 percent in the second quarter of 1998, according to the “final” estimate; the “preliminary” estimate issued last month had shown a 1.6-percent increase. The largest upward revision was to consumer spending. Corporate profits decreased \$8.6 billion in the second quarter after increasing \$8.4 billion in the first; profits of domestic nonfinancial corporations decreased after no change, and profits of domestic financial corporations and from the rest of the world turned down.

42 U.S. International Transactions, Second Quarter 1998

The U.S. current-account deficit increased \$9.8 billion, to \$56.5 billion, in the second quarter of 1998. A substantial increase in the deficit on goods and an increase in the deficit on investment income more than offset a small increase in the surplus on services and a small decrease in net unilateral transfers. In the capital account, capital outflows increased less than capital inflows. U.S. assets abroad increased \$97.5 billion after increasing \$45.6 billion, and foreign assets in the United States increased \$163.4 billion after increasing \$95.5 billion.

71 U.S. International Sales and Purchases of Private Services: U.S. Cross-Border Transactions in 1997 and Sales by Affiliates in 1996

In 1997, U.S. cross-border sales (exports) of private services increased less than U.S. cross-border purchases (imports) of private services. In 1996, sales of services in the United States by U.S. affiliates of foreign companies increased less than sales of services abroad by foreign affiliates of U.S. companies. Nevertheless, the U.S. continued to register sizable surpluses on both cross-border and affiliate services transactions, reflecting the U.S. comparative advantage in the provision of services.

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Back cover: Schedule of Upcoming BEA News Releases

LOOKING AHEAD

- ✿ ***Upcoming Comprehensive Revision of the NIPA's.*** BEA announces an upcoming comprehensive, or benchmark, revision of the national income and product accounts; for information, see the box on page 4.
 - ✿ ***Annual Revision of Gross Product by Industry.*** An article that presents revised annual estimates of gross product by industry for 1995–96 and new estimates for 1997 will be published in the November SURVEY. The article will also present updated estimates of gross output and intermediate inputs for selected industries.
 - ✿ ***Manufacturing Earnings in BEA Component Economic Areas.*** An article that analyzes the differences in manufacturing earnings per job among components of the BEA economic areas will be published in a forthcoming issue of the SURVEY. The article will analyze the differences on the basis of such characteristics as industry mix, extent of industry clustering, education levels of the labor force, and population levels.
 - ✿ ***New Structures and Equipment by Using Industries.*** An article that presents the 1992 capital flow table for the United States will be published in a forthcoming issue of the SURVEY. The capital flow table, which shows the using industries for each type of new structure and equipment in gross private fixed investment, is an extension of the 1992 benchmark input-output accounts of the U.S. economy.
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